Good to meet you

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M&S Case Study

The introduction of RPA in M&S

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About this session

Focus
- The approach followed for the introduction of RPA in M&S
- The synergistic relationship between RPA and Data Governance

Content
- Strategic alignment
- Problem statement
- Approach
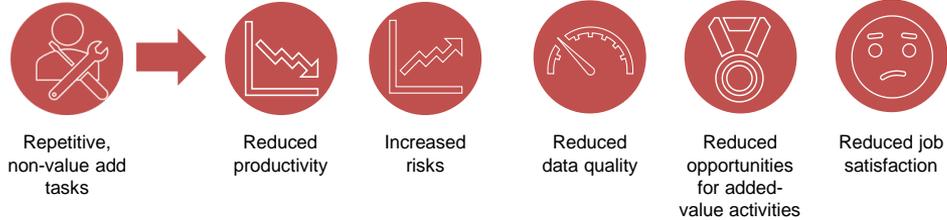- Data governance considerations
- Lessons learnt

M&S's innovation agenda

- **Transformation themes:**
  - Digital first
  - Cost reduction
  - Winning through data

- **Process focus:**
  - Simplify & optimise
  - Eliminate
  - Automate

- **Opportunities:**
  - Intelligent automation

Problem statement

- There are a large number of **manually-administered processes** that require colleagues to perform **repetitive, non-value add activities** for the processing, movement & reporting of data

Repetitive, non-value add tasks → Reduced productivity | Increased risks | Reduced data quality | Reduced opportunities for added-value activities | Reduced job satisfaction

- **How can we explore & exploit opportunities where technology can address process efficiencies?**

Our mission

M&S + (partner) → Select **appropriate problems** to fix; deliver automated solutions → Improved productivity | Reduced risks | Improved data quality | More time available for added-value activities | Improved job satisfaction | Digital first

Partnered with technical partner
(extensive experience & skilled resources on Intelligent Automation: RPA, ML, MDM and AI)

Robotic Process Automation
- what is it?

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What is RPA?

Mimics human interactions

Perform repeatable, repetitive tasks faster, more accurately & tirelessly

"Outside in" approach

The existing human interaction with the presentation layer of systems is employed: systems remain unchanged

Driven by data & rules

Capture data (e.g. PDFs, email, Excel), validate & manipulate, trigger response, share outcomes

Cyber & Data Governance ready

Configurable to meet requirements for Cyber, data governance, auditability …

Does RPA replace people?

- No, they augment human activities

Train RPA bots to do the repetitive tasks

The high-volume, repeatable tasks are automated

Colleagues focus on value-add activities

Colleagues freed up to perform more interesting & engaging activities (inc. exceptions)
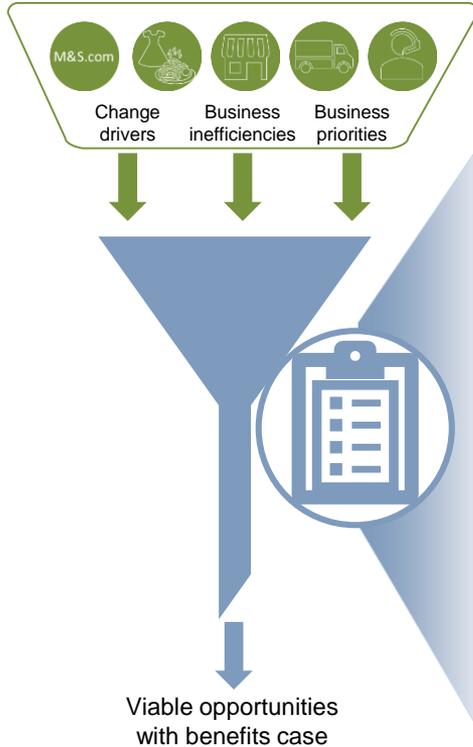
Increased productivity

More time available to think, and to deliver more things, faster

Opportunity creation

Idea realisation through intelligent automation

Robotic Process Automation
- opportunity selection criteria

Change drivers · Business inefficiencies · Business priorities

Viable opportunities with benefits case

Standard, replicable processes
Established & consistent processes in place with clear business rules

Rules based *vs.* cognitive
Focus on the parts of the process that are rules-based

High FTE requirement
The greater the number of people executing a task, the more efficiencies can be gained

High volumetrics
The greater the number of times that a task is executed, and the error rates, the greater the benefit

Readable inputs
Data available in a digitised, structured format

Stable area, no planned changes
If a change programme is planned within 12 months then the benefits horizon would be reduced
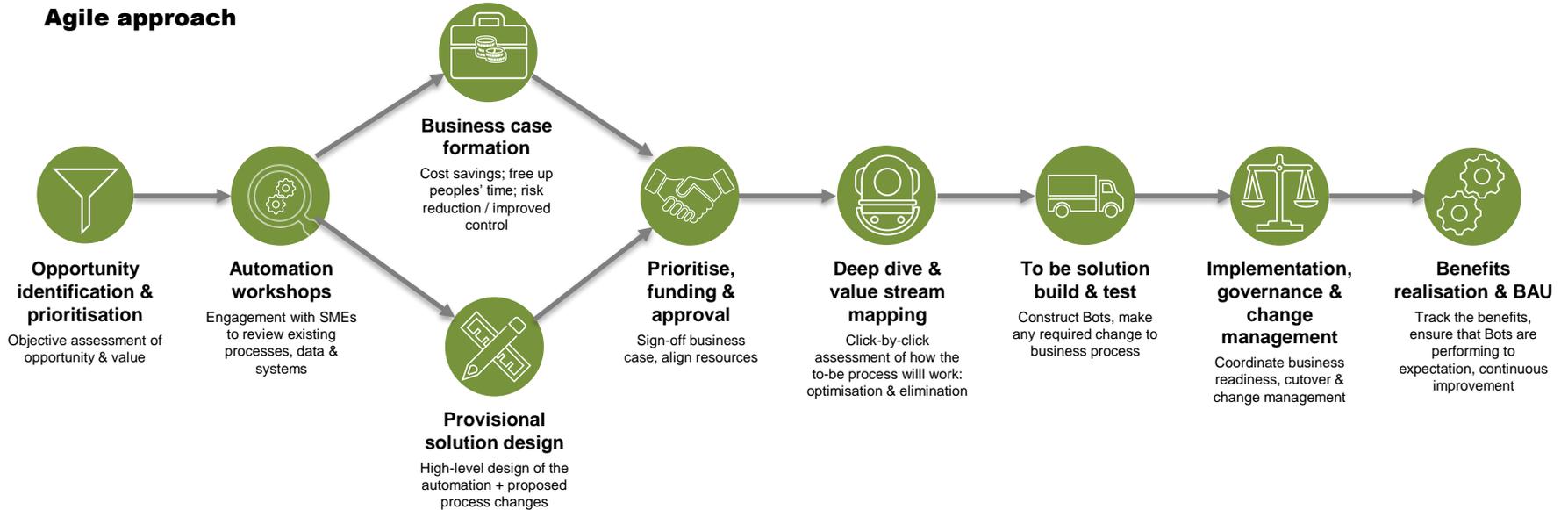
Low exception rate
Activities with a low rate of exceptions: want to avoid the need for human intervention

Technically simple to automate
Level of complexity, number of handoffs, how easy is it to access applications …

Sponsor on board?
Need active support (inc. budget & resources)

SME available?
Need access to process SMEs throughout engagement

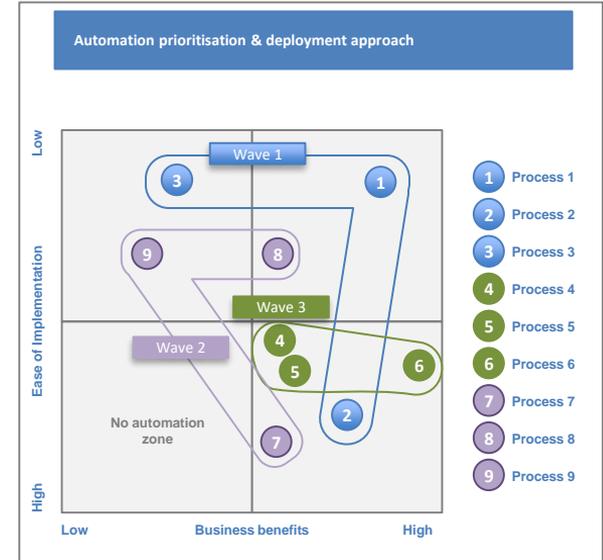# Process Assessment Methodology

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Agile approach

Business case formation
Cost savings; free up peoples' time; risk reduction / improved control

Opportunity identification & prioritisation
Objective assessment of opportunity & value

Automation workshops
Engagement with SMEs to review existing processes, data & systems

Provisional solution design
High-level design of the automation + proposed process changes

Prioritise, funding & approval
Sign-off business case, align resources

Deep dive & value stream mapping
Click-by-click assessment of how the to-be process willl work: optimisation & elimination

To be solution build & test
Construct Bots, make any required change to business process

Implementation, governance & change management
Coordinate business readiness, cutover & change management

Benefits realisation & BAU
Track the benefits, ensure that Bots are performing to expectation, continuous improvement

Typical outputs of assessments

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As-is

As-is process assessment summary
Business area: Finance Shared Service
Process: Journal posting

Process description:	Narrative, plus who owns the process

Process steps:

1. Detailed summary of process steps
2. What are the trigger points
3. What data is consumed
4. What systems are involved
5. Prescriptive steps
6. Management of exceptions
7. What are the outputs from the process
8. Audit steps / notifications

Applications / data stores:	Details of the systems / data stores utilised
Volumetrics	FTE involved; transaction volumes, frequency, fluctuations, time taken per transaction

As-is Process summary:

To-be

To-be process assessment summary
Business area: Finance Shared Service
Process: Journal posting

Process description:	Narrative

Process steps & design considerations:

1. What people / process changes are required
2. Proposed process steps
3. Service levels, scheduling, triggering, load balancing, scaleability
4. Exception management
5. Audit trail
6. Actions to be taken if infrastructure fails

Potential benefits	Cost ◯	Hours released ◯	Process alignment ◯
	Risk reduction ●	Data quality ◯	Customer ◯

To-be Process summary:

Automation scope

How

Automation prioritisation & deployment approach

Ease of Implementation (Low → High)
Business benefits (Low → High)

No automation zone

Wave 1, Wave 2, Wave 3

1 Process 1
2 Process 2
3 Process 3
4 Process 4
5 Process 5
6 Process 6
7 Process 7
8 Process 8
9 Process 9

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Senior sponsorship	• Direction, focus & prioritisation • Allocation of resources & budget
Single, M&S-wide product owner	• Ambassador for Intelligent Automation • Develop a CoE • Cross-M&S engagement, generate interest, challenge value, build momentum
Single CoE	• Process expertise & technical ability to analyse, assess, design, build, deploy & support Bots • Ensure adherence to best practices
Nominated business rep	• Drive opportunity identification, articulation of benefits & prioritisation • Co-ordination & management of resources • Governance & change management • Benefits realisation & BAU
Nominated IT rep	• Link into technical teams • Alignment with systems roadmaps

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Where are the opportunities?	• **Bottom-up:** you need to get to the people who experience process inefficiencies on a daily basis • **Watch out for:** point solutions • **Top-down:** what are the strategic objectives? Where can digital change deliver value for M&S? • **Industry best-practice:** what are the typical areas of opportunity? • **Technology-driven:** integration challenges that RPA could overcome in short-term?
Objective assessment	• Be clear of the benefits that you want to realise • Look beyond financial gains: • Capacity creation, improved data quality, reduced process cycle times …
Iterative, incremental approach	• Agile principle 10: keep it simple – maximise the amount of work <u>not</u> done • Keep the first deployment simple

RPA is not a silver bullet	• "I suppose it is tempting if the only tool that you have is a hammer, to treat everything as if it were a nail"
	    (Abraham Maslow, "Toward a Psychology of Being", 1962)
	• Look for easier fixes if they are available
	    • We reviewed 5 processes in detail before we identified the right candidate

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Optimise then automate	• Must not "fossilise" a sub-optimal process • Value stream mapping: lean approach

"Look both ways"	• Be prepared to challenge pre-conceived process boundaries
	    • What happens "to the left" before the process?
	    • What happens "to the right" once it completes?

Right 1st time	• First deployment in Clothing & Home
	    • 63 "one best ways"
	    • Spent longer optimising the process, and gaining improvements in data quality, than automating the process

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Data principles

	Principle 1	Principle 2	Principle 3	**Principle 4**	**Principle 5**	**Principle 6**	**Principle 7**	Principle 8
	Data is an M&S asset	Data is shared: democratisation	Data accessibility	**Data ownership** by a business data steward	**Clear meaning:** Common vocabulary & definitions	**Data security:** protected from unauthorised use & disclosure	**Data quality:** maintained at the appropriate level of quality	Ethical usage of data

Data is owned	• Confirm process and data ownership for the in-scope data, introduce stewardship
Data is understood	• Document all of the in-scope data: meaning, purpose, downstream usage, data quality requirement, security classification …
Data is secure	• Early assessment of data security classification: build into design • Technology considerations e.g. Password encryption
Data is of requisite quality	• Need to be clear of the mandatory data requirement – what validation needs to be performed, what exception data handling is required, what audit logs need to be maintained

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Build for scale	• … and not for small deployments • Ensure that Bots are fully utilised – cross-business rather than siloed approach
Plan for the future	• RPA is the entry point to Intelligent Automation – move towards cognitive processing, machine learning and AI. • Build and develop a platform and capability for bigger changes

Thank you

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